

Office of Chief Counsel  
Internal Revenue Service  
**memorandum**

CC:LM:FS:MAN:SL:Postf 152245-01  
JAFrisch

date: January 22, 2002

to: Marilyn Walter  
Territory Manager  
LMSB

from: JILL A. FRISCH  
Special Trial Attorney

subject: [REDACTED]

TIN [REDACTED]

This memorandum responds to your request for assistance regarding the proper notices to be issued to the taxpayer in the current audit. This memorandum should not be cited as precedent.

As you are aware the "[REDACTED]" issue has been designated for litigation. The other unagreed issues relate to [REDACTED].

We recommend that you issue a notice of partnership final administrative proceeding (FPAA) to [REDACTED] for the issues relating to [REDACTED]. With respect to the other audit adjustments ([REDACTED], [REDACTED]), a notice of deficiency must be issued.

You should begin with taxable income per the [REDACTED] and add adjustments from the audit ([REDACTED]). The deductions claimed for interest on the [REDACTED] should be disallowed, and made similar to the audit adjustments. The assessments made pursuant to the [REDACTED] should be taken into account in computing taxes paid. Finally, the statutory notice should mention that the [REDACTED] have not been accepted, analogous to a claim disallowance. We will assist you in drafting appropriate language to include with the notice of deficiency after you finish the computations and in connection with our review of that notice.

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This writing may contain privileged information. Any unauthorized disclosure of this writing may have an adverse effect on privileges, such as the attorney client privilege. If disclosure becomes necessary, please contact this office for our views.

Roland Barral  
Area Counsel  
(Financial Services: Man)

By: \_\_\_\_\_  
JILL A. FRISCH  
Special Trial Attorney